

# QUEENS CABLE-1

By MIKE HUREWITZ

A Queens cable-TV company has launched a high-tech war against illegal hookups by firing "electronic bullets" into the homes of subscribers.

Customers who tampered with their cable boxes and rigged them to receive premium channels like HBO and Sportchannel without paying suddenly found their service snuffed by the signals last month.

It was the opening shot of a new war against cable-TV thieves — a war that can reach into any home with an addressable converter box.

For 15 minutes on the evening of March 13, the signals wreaked havoc in rigged converters throughout the western-Queens service area of American Cablevision of Queens — whether the converters were on or off.

When owners of the snarped boxes phoned ACQ complaining about interrupted cable service, the company snuffed them with a lawsuit for theft.

## Firm used "electronic bullets" on thieves.

Officials of ACQ, a Time Warner subsidiary, announced the new electronic weaponry yesterday and said it had helped capture 517 of the alleged signal swipers.

They were the targets of one "catch-all" civil suit filed in Brooklyn federal court consolidating all the cases, the company said yesterday. All the defendants are subscribers to "basic" cable service who allegedly converted their descrambler boxes to illegally receive premium services like HBO for free.

Company officials said the electronic countermeasures would likely spread throughout the nation, where signal thievery is costing the industry an estimated \$5 billion a year.

ACQ president Barry Rosenblum said the electronic bullet spared legitimate converters, which he described as "bulletproof."

Within an hour, Rosenblum said, the switchboard at ACQ headquarters in Flushing lit up with repair requests from the unhappy plumbers, who thought the company wasn't aware of their thievery.

Company repairmen exchanged the converters and kept the snarped devices, all of which allegedly contained evidence of tampering.

The company is seeking between \$1,000 and \$150,000 from each of the defendants, with the higher amounts being sought from those who helped subscribers illegally tap into premium services. Each premium service costs the subscribers at least \$15 a month.

Rosenblum estimated that signal theft was costing the company, which serves about 84,000 customers, \$10,000 a month. Fast criminal penalties for signal theft have ranged from probation to three

# GE

years in prison without parole for those who sold wires.

ACQ's electric were sent out a 7:30 p.m. on March half-dozen engineers around a central company. The snarping at sent out with a of a button.

Rosenblum said the count have so far been only for certain converters.

He predicted measures would widely adopted for so-called addressable converters, which can communicate with each converter box. The systems that call per-view programs

# Insync

## 'Smart Bullet' zaps 317 converters in Queens

By Jim Duffy

**E**at your heart out, General Schwartzkopf! You may have "smart bombs," but Barry Rosenblum has smart "bullets." And just as Stormin' Norman's bombs helped end a crisis, so too might Barry's bullets.

Cable thieves always have been a problem in our business. The NCTA estimates about \$3 billion per year is lost to otherwise law-abiding folks who just can't resist tampering with someone else's black box — or know where to buy an illegal converter. And that's where the bullets come in.

It happened shortly after 7:30 p.m. on March 13. Rosenblum, president of the Queens/Brooklyn Division of the Time Warner New York City Cable Group, was one of a dozen or so engineers, techs and staff of American Cablevision of Queens who crowded into the ACQ control room in the New York borough. This was the night that high tech was to level the cable-theft playing field for operators.

Working with its converter manufacturer, Tocom, a division of General Instrument, and after extensive investigation in the franchise area, Rosenblum and his staff were ready to act. The flip of a switch sent electronic "bullets" through the addressable system and zapped 317 tampered converters. If they had been altered with an illegal chip to descramble a pay service, the screen automatically went black. The legal converters were "bulletproof" and service was uninterrupted.



Barry Rosenblum (left) checks equipment in master control with engineer Jesse Spilka.

After the "shot heard round the borough," Rosenblum and his staff waited for the phones to light up. Sure enough, in came the universal complaint. "My cable went out!"

The customer service representatives asked each caller to bring in the converter. When the customer arrived, the converter serial number was logged, the number matched against the customer's name, the box examined for tampering and held as evidence.

There were 317 boxes disabled and a like number of residents charged with theft and breaking federal law. Cablevision of Queens is seeking between \$1,000 and \$110,000 from each of the defendants, with the higher amounts being sought from those who helped the customers illegally tap into premium services. Rosenblum estimated signal theft was costing the company about \$10,000 a month. He told the New York Post the company could have filed criminal charges against the alleged thieves but chose the civil-suit route instead. The suits were filed in Brooklyn federal district court.

Although the action took place in March, the announcement wasn't made until April 24. The next day, the Queens anti-theft action made Page 1 news in New York. All three network affiliates, two independent stations, virtually every radio station, CNN, and several network news shows, including CBS News with Dan Rather, carried the story.

The Post, a daily tabloid, made the story its lead. The full page was a blank TV screen showing only "snow." Across the screen diagonally was the word "ZAPPED!" in capital letters. Above it said, "Cable TV thieves beware, you're being..." And at the bottom it read, "Queens firm kills illegal boxes with 'electronic bullets.'"

Even the stately and respected New York Times ran a story on Page 1, albeit below the fold. Rosenblum was interviewed, the alleged thieves were interviewed and other cable firms took notice of what technology had wrought. According to Harriet Novet, public affairs director of the Queens/Brooklyn Division, press inquiries came in from all over the country and from several foreign countries. "It was a week I'll never forget. I'll tell you that!" she said.

Even though he was elated with the operation, Rosenblum was the first to admit that the "bullets" may not last long as a panacea to cable theft. He said the black-market huckers are very enterprising and he wouldn't be surprised if they might come up with a device to foil and outwit "Barry's Bullets." ■

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## Cable Firms Finding Illegal Users By Using An Electronic 'Bullet'

NEW YORK (AP) — The newest weapon in the cable industry's war on video pirates would fit right in with the American military's smart bombs and cruise missiles.

It's an electronic "bullet," a signal fired through the cable system from company headquarters right into the addressable cable converter box on top of the TV.

If the box is legitimate, nothing happens. But if illegal chips were installed in a basic converter to decrypt the premium services such as HBO without payment of the monthly fee, the bullet uses the chips' own programs to shut down the converter and halt service.

Thanks to the bullet, American Cablevision of Queens in New York City filed a civil suit in federal court Wednesday against 317 alleged cable thieves. It was the first time so many alleged pirates have been taken to court at once.

The company fired a bullet March 13 over about one-third of its system, and the switchboard was flooded with calls from subscribers whose services had gone dark.

Technicians were sent to the homes to replace the boxes, which were then disassembled and examined for evidence of illegal chips.

Such piracy and other methods like illegal bookups and black market decoders cost the industry \$3 billion annually. But many people don't take it seriously.

"It can be what they call a cocktail party crime ... kind of a fun thing."

said Jack Hooper of the National Cable Television Association. "They don't really think of it as a crime."

But the cable industry considers it a major problem. Most pay services began scrambling their satellite signals in 1984, so the focus now is on catching people with illegal decoders.

"It's just like department store shoplifting," said Richard Amadio, president of Time Warner Inc.'s New York City Cable Group, which includes American Cablevision. "We have ways of detecting where it is and ... we're going to go after them."

The electronic bullet, developed by Ferrol Communications of Haddon, Pa., was first fired last year by Greater Media Cable of Philadelphia.

In three separate campaigns, Greater Media discovered 368 illegal converters and collected almost \$20,000 in lost revenue and damage fees, said General Manager Mark Slomier.

American Cablevision, with about 330,000 paid subscribers in New York's boroughs of Queens and Brooklyn, estimates it loses hundreds of thousands of dollars annually to pirates.

The defendants in the lawsuit filed Wednesday will be offered a deal: They can make a \$500 cash payment to the company within 20 days or face prosecution and a possible fine ranging from \$1,000 to \$110,000, said American Cablevision President Barry Rosenblum.

He said Slomier said they plan to fire more bullets.

"I think this is something that everybody's going to have to start doing."

Rosenblum said.

Time Warner, the second-largest cable operator in the country with 6.5 million homes in 36 states, plans eventually to use the bullet nationwide.

"We're gradually upgrading our systems in order to nail these thieves," Amadio said.

Ferrol spokesman Jim Barthold said he could not disclose other customers "because it would tip off possible plants."

Hooper, from the trade group's office of cable systems theft, said some companies are offering amnesties, followed by audits of the systems and crackdowns on anyone caught.

In 1989, Utah's TCI Cablevision signed up 7,000 new subscribers during a three-week amnesty period estimated with television ads featuring jailed, gold-rimmed signal pirates. At the time, TCI said cable thieves were costing the company \$15 million a year.

"It's hard to say who's winning," Hooper said. "It's a very profitable business for those who are selling boxes or renting people up."

But she said the industry is "working very diligently" to drive up the cost of piracy through prosecutions of both black market suppliers and cable users.

"Eventually, it's going to be too costly for the consumer to take that kind of risk," she said.



NEW YORK POST FRIDAY, April 26, 1991

# Cable experts: 'Electronic bullet' won't be the last shot

By MIKE HUREWITZ

The cable industry yesterday was girding itself for a counter-attack by computer hackers in the aftermath of its new campaign against signal pirates.

Industry spokesmen predicted outlaw computer whizzes were already devising ways to deflect the "electronic bullet" which a Queens cable company sent through its system to knock out illicit signal converters.

"The hackers are extremely clever and this is not the kind of development that is the end to all cable theft," said Carl Weinzenberg, New York bureau chief of Cable World Magazine, a trade publication.

American Cablevision of Queens announced Wednesday it fired the opening shot of its latest campaign against broadcast

**"This is not... the end to all cable theft."**

EXPERT CARL WEINZENBERG

The pulse knocked out black-market computer chips that had allowed "electronic shoplifters" to rig their cable boxes to receive premium channels like HBO and Sportchannel for free.

William Finnegan, chairman of the New York Cable Commission, which oversees the industry, hailed the company's at-

But Finnegan warned: "One would urge caution on some of those high-tech resolutions to assure the integrity of the components owned by the subscriber. A lot of people have expensive television sets. The company would clearly be liable if one of these 'electronic bullets' went awry."

Owners of the sapped boxes who phoned to complain about interrupted service and traded in tampered boxes were slapped by the cable company this week with a massive civil suit alleging theft of service.

The industry is playing "an electronic chess game with the hackers or pirates," said Jim Allen, director of the Office of